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## **PRIVATE PENSION FUNDS IN RUSSIAN FINANCIAL MARKET**

According to the concept of long-term socio-economic development of the Russian Federation for the period until 2020, one of the priorities of public policy at the present stage is the creation of an effective pension system. Authors of the concept believe that state pension funds are required for the formation of an efficient and competitive financial market. [1] The relevance of research on the role of non-state pension funds in the Russian financial market, evidenced by the numerous publications on this topic.

The aim of this study is to identify opportunities for further development of private pension funds in the modern financial market of Russia.

The information base for the study were the statistics posted on the website of the Bank of Russia, statistical and financial authorities.

Modern pension reform aimed at increasing the transparency of the activities of non-state pension funds (NPF). At the beginning of November 2014 52 Fund decided to convert to equity pension fund. [2] Compared with 2000, in 2013 there was a reduction of private pension funds (Table 1).

According to Table 1, the decrease in the number of non-state pension funds with a steady amount of participants accompanied by "centralization" of funds in major collections.

According to the Bank of Russia, during the years 2009-2013 (except for 2011), a considerable part of private pension funds managed to reach a level of return on investment of pension savings formed funds, exceeding the inflation index (Table 2).

The major share of income from the investment of pension savings of private pension funds obtained in the form of dividends and interest on securities, deposits and cash balances with banks (Table 3).

Structure of investments non-state pension funds in 2011-2013 characterized by a significant share of investments in the banking system and other financial institutions (60%); significant investments in the sector non-financial corporations fell from 40 to 22% (Figure 1) [2].

Figure 1. The structure of investments of pension funds

It is important to emphasize that the non-state pension funds play an important role in the development of the market for regional and municipal bonds included in the list of valid instruments for investing pension savings. Given the high investment risks, investors are conservative strategies, increasing the share of bonds and funds in bank accounts and deposits.

According to Table 3, the observed reduction in the number of funds whose significant financial result was obtained from the revaluation of the investment portfolio (from 73 to 34 private pension funds). Structure of investments private pension funds in 2013 is characterized by a significant share of the banking system (37.5%, among which: the means of -78.4% on deposits, debt securities - 17.4%) and other financial institutions (31.3%); significant investments in the sector of non-financial institutions (21.6%) - the shares [2].

At the same time private pension funds play an important role in the development of the market for regional and municipal bonds included in the list of valid instruments for investing pension savings. Given the high investment risks, investors are conservative strategies, increasing the share of bonds and funds in bank accounts and deposits.

Obvious necessity of forming an effective institution of voluntary private pension provision in the Russian Federation. The pace of development of private pension funds, their low popularity among the population require adjustments on the part of the state. Reforming the system of private pension funds is necessary for balance and financial stability of the pension system in the long run.

#### List of references

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